

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 22, 1995

SUBJECT: **SB 1595 - HB 1662**

This bill, if enacted, will require local governments operating mass transit systems to expend 22.22% of their state shared transportation funds on mass transit. Current law is permissive and allows the expenditure of up to 22.22% on mass transit. Any local government that does not maintain local spending on mass transit at or above the average amount of the previous five years will lose state funds in the same amount as the decrease in local expenditures, with the difference returned to the state general fund, rather than the highway fund. Local governments that do not operate mass transit systems are not effected by this bill.

The fiscal impact of this bill cannot be reasonably determined but is estimated to result in a shift in local government revenues from highway expenditures to mass transit to reach the 22.22% level. To the extent that such shift in revenues occur local government expenditures would increase if the local government decided to maintain the current spending level in street and highway operations. Some local governments would lose funding if they do not maintain mass transit expenditures at

the five year average level with such funds being allocated to the state general's fund.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director